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SUBJECT: EMBASSY MINSK WEEKLY POL/ECON REPORT - November 09, 2007

¶1. The following are brief items of interest compiled by Embassy Minsk.

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Civil Society

¶2. Opposition to Hold 1,500 Rallies in Mid-December

Opposition forces plan to hold 1,500 rallies nationwide on December 17, the day when a government-sponsored law cutting state benefits comes into force. Sergey Kalyakin, leader of the Belarusian Party of Communists, said that the opposition will continue its campaign to compel lawmakers to meet with constituents to discuss the issue. At least 300 eligible voters are required to sign a petition in order to force a meeting between lawmakers and constituents, a goal already reached in 12 electoral districts.

¶3. Gomel District Court Upholds University Expulsion

A judge in Gomel November 5 refused to hear an appeal filed by a leader of the Belarusian Popular Front's youth wing regarding his expulsion from Gomel State University. Dmitry Zhalezchnichenka, a third-year student of the university's mathematics department, was expelled September 12 for "regular violations of the university's internal rules," though supporters assert the expulsion was politically motivated. Zhalezchnichenka plans to appeal the ruling to higher courts, prosecutor's offices and the State Control Committee.

14. Christian Democracy Conference Held in Minsk

The Belarusian Popular Front held a conference November 6 in Minsk marking 80 years since the founding of the Belarusian Christian Democracy Party (BCD). Pavel Severinets, a co-chairman of the founding committee for the reestablishment of the BCD, recalled the history of the party, citing Nazi and Communist persecution as well as the past executions of several prominent members of the party.

15. Administration Violates Prisoner's Rights

Political prisoner Andrey Klimov's mother received a letter from her son on November 2 stating that prison administrators seized food from a parcel she mailed him in early October. Human rights lawyer Igor Rynkevich noted that it was "alarming news" since Klimov has diabetes and a serious heart condition. Klimov's mother stated that the lack of necessary food could "lead to grave consequences." Klimov is serving a two-year prison sentence at a high security facility in Mozyr on charges of advocating the overthrow of the government.

16. Activist's Son Assaulted in Vitebsk

Vitebsk opposition activist Yan Derzhintsev informed the media November 2 that his son Aleksandr was attacked and beaten up on his

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way home October 29. Derzhintsev maintained Aleksandr was likely assaulted by members of the ultra-nationalist group Russian National Unity (RNE). A number of opposition activists in Vitebsk have received letters from RNE threatening punishment for their political activities. Derzhintsev earlier complained about the letters to authorities, but police claimed to be unable to find the authors since RNE is an unregistered organization.

17. Registered HIV Cases on the Rise

The National Center of Hygiene, Epidemiology, and Public Health informed the media November 5 that 8,557 residents of Belarus have been diagnosed with HIV, with 810 new cases registered so far this year. The majority of the infected are young people between 15 and 30 years of age. Over 65 percent of new cases this year were caused by sexual contact. As of November 1, 2007, 127 children have tested HIV-positive.

International Relations

18. Belarus Expands Ties with South Korea

Belarusian Prime Minister Sergey Sidorsky met with his counterpart, Han Duk Soo, in South Korea on a two-day visit November 5 and 6. The discussions resulted in several agreements including accords on air service, cooperation in culture, visa-free travel for the holders of diplomatic passports, and memoranda of understanding between the customs departments of the two countries. The two parties also discussed possibilities for the assembly of Hyundai trucks in Belarus, joint production of medical equipment at the Vitebsk-based Vityaz plant, and a USD 126 million project for the production of the chemical paraxylene. Trade between Belarus and South Korea increased by 95.2 percent year-on-year to USD 90.6 million in the first eight months of 2006. Belarusian exports rose by 140 percent to USD 13.4 million and imports by 88.5 percent to USD 77.2 million.

19. Chinese Premier in Minsk

President Lukashenko met November 5 with Wen Jiabao, the Premier of the People's Republic of China. During the visit, China agreed to extend a USD 530 million loan to Belarus to purchase three cement production lines, as well as a USD 27 million soft loan. In addition, the two sides signed an agreement on USD 2.7 million in non-repayable aid to Belarus and letters of exchange for the Chinese government to provide about USD 4 million for reconstruction of the in-patient clinic of the Gomel regional cardiology hospital. China is currently taking part in infrastructure development of Belarus' third GSM operator BeST, financing the upgrade of Minsk-based power cogeneration plant TETs-2, and will soon set up a joint venture in Belarus to produce household appliances.

Domestic Economy

110. Official Unemployment Rate Declines

The Ministry of Statistics released a report November 2 citing a decrease in the number of persons officially registered as unemployed in Belarus. The official figure stands at 46,500 as of October 1, 2007, or 1 percent of the economically active population, down from 1.2 percent a year earlier. In January-August, 2007, companies and organizations created 41,400 new jobs. According to the Ministry, the average monthly unemployment benefit payout was USD 21 in September.

111. Construction Sector Expands

Construction Minister Aleksandr Seleznev told the Presidium of the Belarusian Council of Ministers November 6 that Belarus exported USD 71.2 million worth of construction services in the first nine months of 2007, representing an export surplus of USD 41 million in the sector. The export of building materials in the period totaled USD 326 million, 34 percent more than in the first nine months of 2006, and exceeded imports by USD 150 million.

International Trade

112. Credit Agreement with Deere Credit

Belarusbank signed a credit agreement with Deere Credit providing

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financing for the purchase of over 70 John Deere tractors worth more than USD 11 million. The deal makes Belarusbank the first bank in Belarus to take a long-term loan from a U.S. financial institution.

113. Quote of the Week

Sergey Kalyakin, leader of the opposition Belarusian Party of Communists (BPC), comparing the current situation of Belarusian citizens with conditions before the October Revolution:

"The October Revolution is a great event for Belarus. People in Belarus [now] are similarly deprived of many rights and are similarly dissatisfied, but they don't know what to do while one man is reigning supreme. However, people are awakening as was the case in 1917."

Stewart